

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2864
ANSWERED ON:19.03.2007
CAPACITY UTILIZATION OF STEEL INDUSTRY
Baxla Shri Joachim

Will the Minister of STEEL be pleased to state:

- (a) the average capacity utilization of steel industry in the country and its projected gap between the availability and demand for steel at the end of Tenth Plan period;
- (b) the factors inhibiting the growth of steel industry alongwith its expansion plans;
- (c) whether any overseas investors have offered to finance a large sized steel unit; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a) The average crude steel capacity utilization of steel plants in the country at the end of 10th Five Year Plan 2002-03 to 2006-07 (April 2006-January 2007) is approximately 90.2%. The estimated availability and apparent consumption of finished non-alloy steel in the country during the Tenth Plan period is given below:-

(in thousand tonnes)

Year	Availability	Apparent consumption
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2002-03	28625	8897
2003-04	31201	31169
2004-05	34564	34389
2005-06	39410	39185
2006-07 (April-January 07) (Prov.)	35977	35582

(Source: Joint Plant Committee)

(b) Growth of steel industry mainly depends upon the demand and availability of steel. The National Steel Policy (NSP) envisages over 100 million tonnes of steel production by 2019-2020 and to achieve this level of production NSP seeks to remove various supply side constraints. Apart from the broad based policy statements, the NSP also chalks out specific action points to achieve policy objectives.

(c)&(d): Yes, Sir. A total of 101 overseas financiers have offered to invest in iron and steel sector through foreign direct investment (FDI) route. The details of the steel units proposed to be set through FDI route are annexed.